

**Remarks to the National Commission
to Ensure a Strong Competitive
Airline Industry**

May 24, 1993

Thank you very much. First of all, I want to just thank all of you for your willingness to serve. I think I should say, because of the coverage that this initial meeting is getting, that the American people should know that this is not an ordinary commission; there's only a 90-day time window. It will require an enormous sacrifice of your personal time and effort to do all the massive work that needs to be done, and I very much appreciate your willingness to do it.

I'd also like to say a special word of appreciation to the Congress because of the bipartisan nature of the support that this Commission had. We all made efforts to appoint people without regard to party and instead based upon their knowledge of this issue and their commitment to doing something about it. And I think there is a real consensus in America that the people who make airplanes and equipment and the people who run our airlines are critical to our economic future. It's a big part of our trade surplus. There are millions of people whose jobs depend upon it.

In his most recent book, "Head to Head," the economist Lester Thurow argues that there are seven major areas of technology which will produce the lion's share of the high-wage, high-growth jobs of the 21st century, at least as far as we can see into that century, that aerospace is one of those areas, and that a nation with a stake in any of these technologies gives it up only at its peril.

We have enjoyed an enormously positive position in aerospace for a long time now. But if you look at our airlines, the airlines alone have lost as much money in the last 4 years as they made in the previous 60. We have got to take a look at what that means for us. If you look at the fabulous manufacturers and suppliers that we built up, there's no question that the partnership that those manufacturers were able to develop, not simply with the private airline companies but also with the Defense Department, made the economics of what they were doing work. As we build down our defense budget at the end

of the cold war, that imposes major new challenges for the airline manufacturers and for the major component parts suppliers and producers.

So these are difficult issues. There are also serious questions about international competition. What kind of competition do we face, and how can we face it in a way that is fair to the American workers and all the American people whose livelihoods depend on this?

The point I want to make to you is I think that this is one of the major issues involved in shaping our competitive position in the world. Governor Baliles and I were discussing this whole issue 10 days ago. He noted and I will repeat how remarkable it is that almost every major economic issue we face today ultimately comes down to whether we can compete and win in a global economy. And if so, what do we have to do to enable our people to do that, and what kind of partnerships do we need in the public and private sector?

This is an area, I'll say again, where I think we have a major potential for bipartisan agreement to move forward, to protect and promote an enormously significant sector of our economy. I'm very optimistic about what we can do over the longrun. A lot of you around this table know more personally than do I what great difficulties we have faced in the last few years and understand there are still some tough challenges ahead. But I feel strongly about this. I think we can do it. I think we have to do it.

If you look at the whole range of challenges facing the United States, the things that I've tried to come to grips with in the last 4 months—trying to get the deficit under control, trying to develop a technology policy, trying to develop a more aggressive way of helping people adjust from the defense to a domestic economy and all the cutbacks that that involves—a lot of that work will be substantially undermined unless we have a vibrant aerospace sector in our economy. It is critical to building a high-wage future for America not just in the States that are obviously affected, like Washington State—and we have some Members of Congress from Washington on this Committee—but throughout the United States. There's not a

State, not a community in this country that won't be better off if we have a strong and vibrant aerospace economy.

Now, having said that, I want to introduce formally, for whatever remarks he might wish to make, Governor Baliles. I asked him to chair this Commission for a number of reasons. I've known him for many years; we were colleagues in the Governors' conference together. In my former life, I had the privilege to serve with about 150 Governors in the seventies, the eighties, and the nineties. If you forced me to make a list of the 10 best I served with, Jerry Baliles would certainly be on the list. He's one of the most intelligent public servants I've ever known. He also has the kind of mind that I think we need to bring to this task. He sorts out the wheat from the chaff pretty quickly, gets to the bottom line, and synthesizes issues remarkably well. I think you will enjoy working with him. I think you will be glad you had the opportunity to do it. And I believe, in no small measure because of the leadership he will bring to your work, there's a real chance that we'll all be very proud of the results that come out.

Thank you very much.

NOTE: The President spoke at 10:20 a.m. in the Indian Treaty Room at the Old Executive Office Building. In his remarks, he referred to Gerald L. Baliles, Chair of the Commission and former Governor of Virginia.

Remarks on the Small Business Administration Microloan Program May 24, 1993

Good morning. Welcome to the White House, and thank you for coming. A year and a half ago, the Small Business Administration issued the first microloan grants. To date, SBA has awarded 47 grants. We now more than double the program with 49 new grants. And we believe that 42,000 jobs will be created as a result. This administration is committed to helping entrepreneurs create profits and jobs, and the microloan program is integral to our strategy to make that happen.

I want to thank Senator Pressler and Senator Bumpers for their attendance here today. And I want to say a special word of

praise to my State's senior Senator, Dale Bumpers, who sponsored this legislation to create the microloans, something that he learned about as a result of a community development bank operating in our home State. I am very proud of it. It was modeled on the South Shore Bank in Chicago, and when I was Governor, we worked hard to bring the bank there. We know that this concept works. And I appreciate very much the work that Senator Bumpers has done to bring this concept throughout America.

I also want to say that if the Congress, later this year, adopts our proposal for community development banks, then there will be more banks out there supporting the SBA in the work of making microloans. This is very important because an enormous percentage of the jobs in America are now being created by small business people and by people starting up their own businesses and by people who are self-employed. This is an innovative approach which opens the doors of opportunity to Americans who otherwise would find those doors closed. The program enables community-based lenders to expand their reach and to make very, very small loans to entrepreneurs who otherwise simply couldn't find a way to make their ideas real.

Many potential borrowers simply don't meet the credit standards of traditional lenders. Why? Because of a poor credit history or no track record as a borrower, they may simply not have enough collateral. In fact, SBA analysis indicates that many microloans will be made to individuals who are currently on public assistance. By encouraging entrepreneurial instincts, the program will then give them the help they need to take the first steps toward economic independence, not dependence. And in so doing, this could be a very important part of our overall welfare reform strategy to move more Americans from welfare to work.

By using community-based lenders—and some are with us today, and I want to thank all of you who are here for your commitment to this concept—this program relies on the lenders' understanding of the community and helps to empower the community with